NEWS.

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THE SCHWANOG NEWS FOR CUSTOMERS, EMPLOYEES, AND FRIENDS OF THE COMPANY.

Internal turning with indexable inserts:

THE HIGHLY PRODUCTIVE SCHWANOG WPI SYSTEM!

PAGE 02

EDITORIAL:

Dear business partners,

Here is the first issue of our 2026 News, in which we have once again compiled exciting topics and interesting news from the world of Schwanog. Amidst an unstable global situation, we have decided to focus entirely on delivery capability, productivity, and customer service.

A prime example is internal turning with our Schwanog WPI system. Read all the facts and benefits on page 2. With another technical feature on page 3, we would like to draw your attention to the solid carbide drills with optimized cutting-edge geometry, which excel in terms of precision, productivity, and process reliability.

You will also find an important article on raw materials with fascinating background information on page 3, where we take a closer look at the exponential rise in the cost of carbide.

In addition, we once again offer short reports on staff anniversaries, trade show appearances, and our employees' social engagement.

Together with our team, we are doing everything we can to optimize your projects with highly productive solutions. Put us to the test – we look forward to hearing from you!

Clemens Güntert - CEO

schwanog

Internal turning with indexable inserts:

THE HIGHLY PRODUCTIVE SCHWANOG WPI SYSTEM!

The WPI system was developed by Schwanog to specifically cover applications with bore diameters from Ø12 to Ø18. We thus offer you a complete range comprising several systems that meet all technological requirements for internal turning from Ø1 upwards.

We have developed a dedicated interface for the WPI system to deliver four key benefits.

- **HIGH CHANGEOVER ACCURACY**
  Due to an insert-to-insert center height tolerance of ±0.015mm
- **HIGH STABILITY**
  Due to precise form and force fit
- **SIMPLE, USER-FRIENDLY HANDLING**
  Because the inserts can only be clamped in the correct orientation
- **INTERNAL COOLANT SUPPLY**
  To increase tool life

Performance in a nutshell:
Wherever standard tools can no longer fulfill workpiece-specific requirements, Schwanog offers the optimal solution!

Customized applications

Form Grooving

Single-point turning

Single-point threading

SCHWANOG SYSTEMS FOR INTERNAL TURNING AT A GLANCE:

WSI system:	WPI system:	PWP, DCI and WEP system:
Ø1 to Ø12mm	Ø12 to Ø18mm	from Ø18mm

Experience and loyalty as pillars of stability:

CONGRATULATIONS TO OUR ANNIVERSARY CELEBRANTS!

By the end of 2025, we were already able to honor three colleagues for 25 years with the company. Such loyalty and expertise do not come by chance – thank you for your dedication and loyalty!

Holger Johannsen, Managing Director of Schwanog USA / 25th anniversary

Holger Johannsen has over 40 years' experience in the manufacturing and industrial sectors. During this time, he has held various management positions in sales, operations, and product management, particularly in North America.

As General Manager of Schwanog LLC, he has played a key role in shaping the company's development in the USA, driving revenue growth, and further expanding international activities – including the establishment of a sales office in Mexico. His professional career is characterized by strategic growth, market development, and operational excellence.

In his spare time, Holger Johannsen enjoys sports and has an interest in racquetball, tennis, and golf. His most important role, however, is that of a grandfather.

Dietmar Heitzler, Warehouse Logistics / 25th Anniversary

Dietmar Heitzler completed an apprenticeship as a civil engineering technician from 1980 to 1983 and remained with the company for two more years. Over the following 15 years, he worked as a metalworker and welder.

In 2001, he began a new chapter in his professional career by joining Schwanog as a warehouse logistics employee, a role he continues to fulfil with great enthusiasm to this day.

In his spare time, Dietmar Heitzler is passionate about riding road bikes, gravel bikes, and e-bikes. , and He also goes on multi-day tours with his wife. Playing the guitar and spending time with his granddaughter also provide a welcome break from his daily work routine.

Carsten Schwabe, Deputy Production Manager / 25th Anniversary

After completing his apprenticeship as an industrial mechanic, Carsten Schwabe worked as a CNC milling operator. While working, he qualified as an industrial foreman in metalworking and subsequently worked as a die-sinking and wire-cutting EDM operator, as well as a training supervisor.

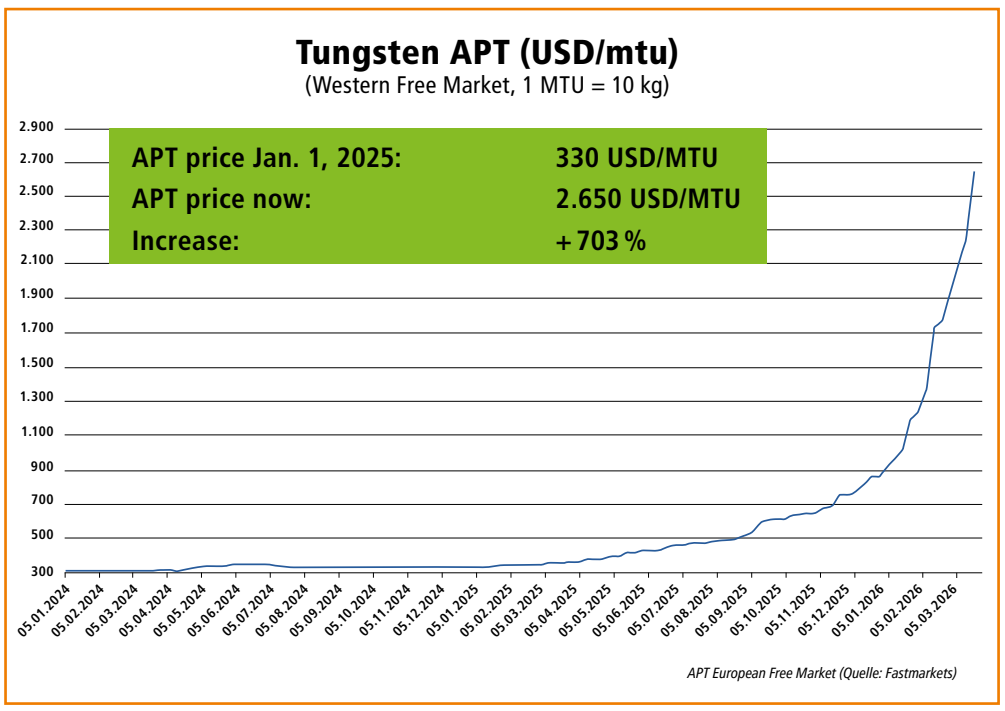
On 1 December 2000, he joined Schwanog and was appointed to the position of production foreman.

At the same time, Carsten Schwabe completed courses to become a network administrator and software developer. Carsten Schwabe has been Deputy Production Manager since 1 May 2022. In his spare time, he enjoys keeping active through fitness training and hiking.

Exponential cost increase:

CEMENTED CARBIDE IN GLOBAL SPOTLIGHT!

APT (Ammonium Paratungstate), an essential raw material to produce cemented carbide, was long considered a relatively stable and predictable cost factor. Tungsten, derived from APT, is a key component in carbide cutting tools and wear-resistant components used across industries such as precision machining, electric mobility, aerospace, robotics, and general manufacturing. Since 2025, however, the market has changed dramatically. APT prices have increased at an unprecedented rate, reaching up to 700% by April 1, 2026, with further increases expected. This extraordinary development extends well beyond normal market fluctuations, impacting not only production costs but also the security and reliability of the global raw material supply.



APT European Free Market (Quelle: Fastmarkets)

THE BACKGROUND

A key factor behind this development is the increasing regulation of the global raw materials market. In major mining regions, export regulations have been tightened, and licensing procedures have been introduced, significantly reducing the amount of tungsten available on the global market.

As a result, manufacturers have been forced to secure alternative sources of supply at short notice, often at substantially higher costs. At the same time, environmental regulations for mining were tightened and production quotas reduced. In some of the world's most important mining regions, mines have temporarily operated at only one-third of their normal production capacity.

GROWING DEMAND EXACERBATES THE SITUATION

While supply has declined, demand for cemented carbide used in defense applications has increased significantly. In 2025 alone, the defense sector recorded market growth of more than 40%. At the same time, too few new mining projects have been developed, as the sharp decline in tungsten prices between 2011 and 2015 discouraged investment across the industry.

To reduce dependence on mining output and production quotas, an increasing share of tungsten is now recovered from recycled materials. This has led to raw material producers worldwide to aggressively purchasing carbide scrap. As carbide scrap is used for the reprocessing and manufacture of carbide products, and the tungsten content corresponds to the value of new material, rising scrap prices have a direct impact on production costs and thus on the prices of carbide products.

This development is leading to further shortages in international markets and clearly demonstrates that, alongside price trends, the focus is increasingly on security of supply. The reliable availability of tungsten is now a decisive factor in production planning and delivery capability.

SECURITY OF SUPPLY THROUGH OUR SUPPLIERS

For years, our suppliers have been pursuing strategies to ensure a stable and largely independent supply of tungsten. Today, around 90% of Schwanog's carbide blanks are manufactured from recycled material. The consistent use of modern recycling technologies by our suppliers forms the basis for this. A reliable supply and continuous availability can only be ensured through proactive planning and the strategic use of recycled materials. Equally important is ensuring that carbide scrap remains within regional recycling networks, where it can be recovered and reused efficiently. As scrap prices are rising in line with the APT prices, the cost of recycled raw materials increases accordingly, directly affecting the overall cost structure of cemented carbide production.

MATERIAL SURCHARGE EFFECTIVE MAY 2026

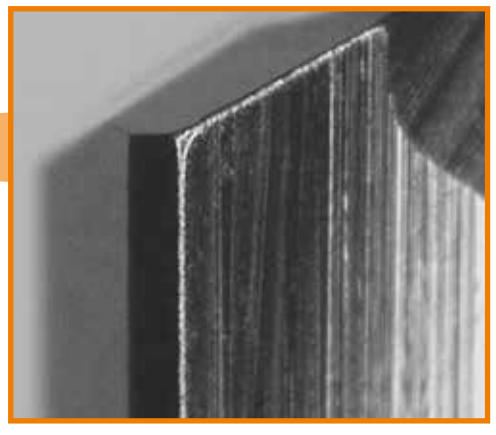
Due to the continuing volatility in the raw material markets and the significant increase in recycling costs, we will introduce a material surcharge on the raw materials used in our insertable tooling systems effective May 2026. This is not a general price increase, but rather a necessary adjustment to reflect the substantial rise in raw material and recycling costs. Since carbide scrap is an essential part of our raw material supply, and the cost of this material has increased considerably, these additional costs can no longer be absorbed.

Should the situation on the raw material markets improve or deteriorate, the material surcharge will be adjusted accordingly either - downward or upward - while the base prices of our products will remain unchanged. No separate material surcharge will apply to solid carbide form drills and milling cutters made from round stock with a high carbide content. Instead, prices for these products will be adjusted in line with the current blank prices.

This measure enables us to continue providing reliable supply, consistent high quality, and complete transparency regarding material-related cost developments.

Precision, Productivity, and Process Reliability:

SOLID CARBIDE DRILLS WITH OPTIMIZED CUTTING-EDGE GEOMETRY!



Cutting edge honing radius R= 0.02

Precision, tool life, and process reliability – these are the benchmarks of modern machining. Our solid carbide drills featuring optimized cutting-edge preparation and high-performance coatings, are engineered to meet these demands.

Through precisely controlled cutting-edge preparation, microscopic edge defects are minimized while the cutting edge is carefully honed or chamfered.

THE RESULT:
Significantly improved edge stability, reduced edge chipping, and consistently high drilling quality – even in demanding materials.

At the same time, the prepared cutting edge improves chip evacuation and reduces cutting forces, resulting in smoother machining and lower tool stress.

Our high-performance PVD and CVD coatings provide exceptional wear resistance, reduced friction, and optimized heat dissipation.

The result is significantly longer tool life while enabling higher cutting speeds and feeds.

WHAT THIS MEANS FOR YOU:
Shorter machining times, lower tool costs, and maximum process reliability. Choose solid carbide drills from Schwanog, that are optimized down to the smallest detail – for maximum ^productivity, consistent quality, and sustainable manufacturing success.

Exciting projects and excellent customer feedback:

SUCCESSFUL TRADE SHOW APPEARANCES!

For our team, participating in trade shows is an essential part of building strong customer relationships, exchanging ideas, presenting innovative solutions, and launching new projects. We look back on a series of highly successful exhibitions in the United States, Italy, Mexico, France, and Germany, where we had the opportunity to connect with customers, discuss current manufacturing challenges, and showcase Schwanog's latest tooling solutions.

SIMODEC, France

Expo Manufactura, Mexico

Co-exhibitor Index Open House in Deizisau

Shot Show, Las Vegas, USA

Christmas Donation by Our Employees:

SUPPORT FOR THE TANNHEIM AFTERCARE CLINIC!

The Tannheim Aftercare Clinic gives families with seriously chronically ill children renewed strength and hope. With 152 beds, the clinic provides a modern, welcoming environment that offers warmth, comfort, and compassionate care.

As part of its family-centered aftercare program for children recovering from cancer, heart disease, or cystic fibrosis, the clinic provides highly specialized four-week rehabilitation programs for the entire family. In addition, the Tannheim Aftercare Clinic also supports bereaved families who have lost a child to illness.

For families facing these unimaginable challenges, the clinic in Germany's Black Forest serves as an "island in a sea of worries"—a place of healing, hope, and renewed strength. We are deeply impressed by the extraordinary care and dedication provided by the clinic's staff.

We are therefore delighted that, through our 2025 Employee Christmas Donation Campaign and with the generous support of Mr. Güntert, we were able to raise €1,000. The donation was officially presented to the clinic's management on March 9th.

From left to right: Barbara Ribera (HR, Schwanog), Clemens Güntert (Managing Director, Schwanog), Thomas Müller (Managing Director, Tannheim Aftercare Clinic), Marco Rais (Works Council, Schwanog)

A warm welcome to Schwanog:

INTERNATIONAL TRADE SHOW PREVIEW 2026!

Once again, this year, Schwanog is focusing on a strong presence at international trade shows as important industry events and valuable opportunities for personal exchange with our customers and prospective customers.
We recommend scheduling an appointment with our specialists in advance to discuss your projects and requirements directly at our booths. This year, we look forward to welcoming you in Austria, the United Kingdom, Canada, USA, and Germany.

We are looking forward to your visit.
Your Schwanog Trade Show Team.

INTERTOOLS WELS

April 21–24, 2026
Wels, Austria

Hall: 20
Stand: 20/0807

MACH EXHIBITION

April 15-19, 2026
National Exhibition Centre (NEC), Birmingham
Hall 20 / Stand 20-440

MMTS 2026

May 11-12, 2026
Montreal, Quebec, Canada

Hall / Stand: 829

IMTS

September 14-19, 2026
Chicago, IL, USA

Hall / Stand: 432294

AMB

September 15-19, 2026
Messe Stuttgart, Stuttgart

Hall / Stand: 3C47

75+ years schwanog

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